

**DEPARTMENT OF SOCIAL SERVICES**

744 P Street, Sacramento, California 95814



May 31, 2006

ALL COUNTY INFORMATION NOTICE NO. I-40-06

TO: ALL COUNTY WELFARE DIRECTORS  
ALL FOOD STAMP COORDINATORS  
ALL CalWORKs PROGRAM SPECIALISTS

SUBJECT: FOOD STAMP SIMPLIFICATION OPTIONS REGULATION  
PACKAGE

REFERENCE: FOOD STAMP REAUTHORIZATION ACT OF 2002, PUBLIC  
LAW 107-171 OF MAY 13, 2002

**REASON FOR THIS TRANSMITTAL**

- ☐ State Law Change  
☒ Federal Law or Regulation  
Change  
☐ Court Order  
☐ Clarification Requested by  
One or More Counties  
☐ Initiated by CDSS

The purpose of this letter is to provide advance notification regarding implementation of the Food Stamp Simplification Options. The new policy is a result of the Food Stamp Reauthorization Act of 2002, which made certain options available to states to simplify and improve the Food Stamp Program.

The following is a summary of policy changes that will take effect October 1, 2006:

- Child Support Exclusion – This option allows the State to treat legally obligated child support payments to a non-household member as an income exclusion, rather than a deduction, for the individual making the payment. The child support deduction is being removed from Manual of Policies and Procedures (MPP) Section 63-502.38 and being added to MPP Section 63-502.2(p) as an income exclusion.
- Simplified Treatment of Income and Resources – These options allow the State to exclude certain types of income and resources that are not counted under the State's California Work Opportunity and Responsibility to Kids (CalWORKs) Program for purposes of program alignment and simplification. MPP Section 63-502.2(q) has been added to exclude all payments from consideration as income as listed in MPP Section 44-111, with the exception of sections 44-111.23 (budgeting process) and 44-111.43 (student loans and grants). An additional resource exclusion will be established with the addition of MPP Section 63-501.3(r) to align Food Stamp policy with MPP Section 89-130 regarding the treatment of restricted accounts in the CalWORKs Program.

- Simplified Utility Allowance – This option allows the State to require qualifying households to use a Standard Utility Allowance (SUA) instead of having the option of choosing actual utility costs. Along with the mandatory SUA, a Limited Utility Allowance (LUA) must be implemented for those households who do not qualify for the SUA. To be eligible for the LUA, a household must incur expenses for at least two separate utilities other than heating and cooling. Allowable utilities include telephone, water, sewer, and garbage or trash collection. The LUA amount is \$75, to be effective October 1, 2006.
- Furthermore, there continues to be a telephone allowance now available only to those households who do not qualify for either the SUA or LUA. MPP Section 63-502.363 has been modified to implement the mandatory SUA and outline the LUA and telephone allowance.

State regulations are being developed to implement the changes effective October 1, 2006. County Welfare Departments should initiate action to implement these changes effective October 1, 2006. More detailed instructions will be provided in an upcoming All County Letter, anticipated to be released by August 1, 2006.

If you have any questions, please contact Jaime Aguirre, Analyst, Food Stamp Policy Development Unit, at (916) 657-3418 or [Jaime.aguirre@dss.ca.gov](mailto:Jaime.aguirre@dss.ca.gov).

Sincerely,

RICHTON YEE, Chief  
Food Stamp Branch